

MSCMA – THE NEW ALLIANCE

The establishment of the industry's largest alliance will become a challenge for smaller carriers

The announcement made by MSC and CMA CGM on 1 December concerning the establishment of a partnership between the two carriers of course gives rise to a number of questions.

The first question is the naming of the partnership – or alliance as we will term it. As no formal name has been given, we will in this context call it the MSCMA alliance.

As we will outline, we might even need to include CSAV in the alliance as well.

We will investigate the following:

- What will the impact be on the major trade lanes?
- What will the impact be on the smaller players and alliances in the market?
- Will other parties join



At this point in time very little detail concerning the new alliance has been provided by the involved carriers, hence the analysis provided herein reflects opportunities available to the new alliance combined with our view as to likely developments.

The factual basis is that MSC and CMA CGM has announced the establishment of a partnership in order to optimize the use of their respective fleets.

This structure implies that the question of “how big will this new player be?” is not at all a well-defined question, simply because there are trade lanes where the new agreement

GENERATIONAL CHANGE?

The announcement of the new partnership between MSC and CMA CGM has an added noteworthy twist. The deal was publically announced as having been brokered by Diego Aponte and Rudolphe Saade – the sons of Gianluigi Aponte and Jacques Saade. The partnership can therefore be seen in a broader perspective than a “mere” operational partnership. It can also be seen as a significant step towards a generational change in two of the world's largest container carriers. As such, if successful, this will ensure a strong position for the next generation internally in the two companies, and likely pave the way for a more complete transition of